addition of ten per cent. to the net premium is a sufficient provision for the extra contingencies arising in an Assurance Company. We are satisfied that not only actuaries, but any reflecting person, will at once demur to such a proposition. In any commercial speculation, the recompense looked for, for the conduct of it and for the risk of capital, is rarely less than ten per cent.; and if we estimate the expenses at five per cent. only—which it will be admitted is a very moderate rate—and make the necessary allowance for ordinary commission merely, the addition, it will be seen, cannot be less than twenty per cent., even in a purely proprietary company, without taking into account the fluctuations so obviously incidental to it. We must protest, too, against the countenance given to the pernicious practice of assuming a rate of interest known to be inaccurate, instead of making every effort to determine the one nearest to the truth, and adopting it. Independently of such a practice being at variance with every sound and scientific principle, the effect of it is, in purely proprietary Companies, to make each contributor pay something more or less than he ought; and, in bonus-giving ones, to affect the returns of surplus in such a manner as greatly to aggravate the injustice, unless (as has been observed), in the multitude of errors thus occasioned, the positive and negative ones, by a fortunate concurrence of circumstances, approximate to something like a balance—a result much to be wished, but scarcely to be looked for with much confidence.—ED. *A. M.*

NOTES AND QUERIES.

The Money Market.—The operations of the Bank of England in 1853, as regards the rate of interest charged by that establishment, form a useful example of the manner in which the money market of this country is at present regulated. The following table, made up from statements in the *Economist* newspaper, exhibits these operations in a concise shape:—

Date.	Amount of Bullion.	Reserve of Notes.	Securities.	Rate of Interest charged.
18 June, 1853	18,636,000	9,420,000	26,272,000	3½ per cent.
3 Sept., 1853	16,500,000	7,696,000	26,766,000	4 "
17 Sept., 1853	15,862,000	6,977,000	28,716,000	4½ "
1 Oct., 1853	15,612,000	6,258,000	30,911,000	5 "

If we now compare the amount of cash—that is to say, the notes and bullion—with the securities, we shall find the fluctuation to be as follows:—

Date.	Cash.	Securities.	Rate of Interest charged.
18 June	28,056,000	− 1,784,000	$3\frac{1}{2}$ per cent.
3 September..	24,196,000	+ 2,570,000	4 „
17 September..	22,839,000	+ 5,877,000	$4\frac{1}{2}$ „
1 October....	21,870,000	+ 9,041,000	5 „

We thus see a very obvious relation between these differences and the rate of interest charged; and it is probable that, making allowance for the absolute amount of cash in the Bank coffers and the state of public affairs, the same or nearly the same relations would obtain at any other time. In the present year the changes since May have been as shown in the following table:—

Date.	Amount of Bullion.	Reserve of Notes.	Securities.	Rate of Interest charged.
16 June	18,061,000	11,841,000	24,527,000	$3\frac{1}{2}$ per cent.
1 September..	14,939,000	8,263,000	28,140,000	4 „
14 September.	14,217,000	7,526,000	29,668,000	$4\frac{1}{2}$ „

Making a comparison similar to the one above, the fluctuations will appear as follows:—

Date.	Cash.	Securities.	Rate of Interest charged.
16 June	29,902,000	− 5,375,000	$3\frac{1}{2}$ per cent.
1 September..	23,202,000	+ 4,938,000	4 „
14 September..	21,743,000	+ 7,925,000	$4\frac{1}{2}$ „

It would thus seem that the regulations at the present time are not so stringent as they were in 1853; since $4\frac{1}{2}$ per cent. was then required, although the securities exceeded the cash by £5,877,000 only, whereas they have now been suffered to get £7,925,000 in excess before the same rate is demanded. But it must be remembered that the absolute amount of cash is not much less now than it was then, the present amount being £21,743,000, as contrasted with £22,839,000 in September, 1853; and also, that the reasons for the requirement of money at this time are perfectly well understood, and are for the most part of a legitimate and not of a speculative character. Nevertheless, if the present drain continue (we write on the 15th September), we presume we may expect that a further rise in the rate of interest will shortly take place.

It is worth while to observe, that the differences above shown may arise either from a simple withdrawal of deposits or from the conversion of cash into securities. If the total amount of cash and securities remain the same, we know that the reduction is caused by the latter operation, whilst its being occasioned by a withdrawal of deposits merely, will be evidenced by the fact of the amount of securities remaining unaltered.

The nature of the operations in progress may also be gathered by observing to what extent the notes are reduced as compared with the bullion; at the present time it will be seen that the reserve of the former is comparatively somewhat high.

It is hardly necessary to say that the signs + and — are used merely to indicate that the securities were at the times specified greater or less than the cash, by the sums set against them.—Ed. *A. M.*